

# FY 2011 SECOND QUARTER (CUMULATIVE) CONSOLIDATED FINANCIAL RESULTS

(April 1, 2011 to September 30, 2011)

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## 1. FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2011

### (1) Consolidated Results of Operations

	Net sales (millions of yen)	Operating income (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)
Six months ended Sep.30,2011	66,138 (-7.9%)	1,300 (-56.7%)	369 (-83.2%)	-1,261 (-%)
Six months ended Sep.30,2010	71,773 (16.5%)	3,003 (-%)	2,195 (-%)	670 (-%)

Note1: Comprehensive income: -3,503 million yen (-%) for the year ended Sep.30, 2011 / -2,074 million yen (-%) for the year ended Sep.30, 2010

Note2: Indication of percentages shows the ratio of increase or decrease from the second quarter of the previous fiscal year.

	Net income per share (yen)	Diluted net income per share (yen)
Six months ended Sep.30,2011	-10.40	—
Six months ended Sep.30,2010	5.53	3.68

### (2) Consolidated Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
As of September 30, 2011	126,819	29,598	23.1%
As of March 31, 2011	132,384	33,520	25.1%

Reference: Shareholders' equity: 29,330 million yen as of Sep.30, 2011 / 33,256 million yen as of Mar.31, 2011

## 2. DIVIDEND INFORMATION

	Dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal-year-end	Annual
Fiscal year 2010	—	3.00yen	—	3.00yen	6.00yen
Fiscal year 2011	—	0.00yen			
Fiscal year 2011 (forecast)			—	—	—

Note1: Revision to recently disclosed dividend forecast: Yes

Note2: Dividend forecast for end of the fiscal year 2011 is to be decided.

## 3. FISCAL YEAR 2011 CONSOLIDATED FINANCIAL FORECAST (April 1, 2011 to March 31, 2012)

(Millions of Yen)

	Net sales (percentage change from the previous year)	Operating income (percentage change from the previous year)	Ordinary income (percentage change from the previous year)	Net income (percentage change from the previous year)	Net income per share
Full Year	141,000 (-2.7%)	5,000 (-18.7%)	3,200 (-35.6%)	500 (-%)	4.12yen

Note: Revision to recently disclosed financial forecast: Yes



# **1. QUALITATIVE INFORMATION ABOUT CONSOLIDATED BUSINESS RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2011**

## **(1) QUALITATIVE INFORMATION OF CONSOLIDATED OPERATING RESULTS**

In the electronics industry during the six months ended September 30, 2011, demand for electronic automotive parts returned to its former level as domestic automobile manufacturers resumed operations to increase production volume after the delays caused by the Great East Japan Earthquake, yet conditions have remained adverse as a consequence of significant falls in worldwide demand in TV markets. In addition, the earnings of domestic corporations have been seriously affected by the rapid appreciation of the yen against the dollar and euro stemming from fiscal uncertainty in European nations and anxiety over the stagnancy of the US economy. To accelerate development in “eco-friendly and energy saving” markets and “emerging country markets” under these circumstances, the Company group has developed sophisticated, lower-power-consumption devices through a mobilizing of technology resources across the group. Concurrently, the Company group has promoted structural reforms such as the discontinuation of obsolete and unprofitable products and the reallocation of plants, reinforced production lines for semiconductor devices, introduced eight-inch lines to expand the scale of sales, enhanced production efficiency, and reduced production costs. Despite these efforts, net sales during the six months ended September 30, 2011 were 66,138 million yen, a decrease of 7.9% as compared to the same period in the previous year. This result was attributable to factors such as a decrease in demand for products primarily in TV markets and stringent economic conditions due to the appreciation of the yen. For income, operating income was 1,300 million yen and ordinary income was 369 million yen. Though each of these amounts was a decrease compared to the same period in the previous year, the Company group still managed to ensure profit in its mainstay business. Due to causes such as disaster-related losses, however, the Company group recorded a net loss of 1,261 million yen (net income of 670 million yen in the same period in the previous year).

Overview of business by segment is as follows.

In the semiconductor device business, sales of products for white goods progressed favorably in response to requests for “eco-friendly, energy saving solutions” in the markets. After summer, sales of automotive products recovered to a favorable level also in the domestic markets, reflecting the diminishing impact of the earthquake with passing time. Meanwhile, the decrease in worldwide TV demand and declining prices weighed heavily on sales of products for LCD TVs. As a result, net sales from the segment were 48,253 million yen, a decrease of 1,732 million yen (3.5%) as compared to the same period in the previous year, and operating income was 3,109 million yen, a decrease of 1,303 million yen (29.5%) as compared to the same period in the previous year.

In the CCFL business, orders received significantly declined, as the business environment was stringent. As a result, net sales from the segment were 1,033 million yen, a decrease of 2,651 million yen (72.0%) as compared to the same period in the previous year. For income, our efforts to improve profitability while optimizing resource allocation met with limited success, and we were forced to record an operating loss of 575 million yen (operating loss of 311 million yen in the same period in the previous year).

In the PM business, sales of products for LCD TVs remained sluggish due to declining demand in worldwide TV markets. As a result, net sales from the segment were 9,786 million yen, a decrease of 1,317 million yen (11.9%) as compared to the same period in the previous year and we recorded an operating loss of 673 million yen (operating loss of 475 million yen in the same period in the previous year).

In the PS business, we attempted to increase orders received by striving to establish new customers in products for public agencies, yet because of earthquake-related postponements in corporate capital investments, orders received remained stagnant. In the telecommunication market, we focused on securing orders related to products for core telecommunication facilities. Sales of products for the telecommunication market surpassed the planned targets, even though the construction of base stations was suspended or postponed due to the earthquake. In addition, we tried to acquire orders for facility replacement at electric power companies. As a result, net sales from the segment were 7,064 million yen, an increase of 66 million yen (1.0%) as compared to the same period in the previous year and operating income was 481 million yen, an increase of 50 million yen (11.8%) as compared to the same period in the previous year.

## (2) QUALITATIVE INFORMATION OF CONSOLIDATED FINANCIAL POSITION

### 1) Status of Assets, Liabilities and Net Assets

Assets as of the end of September 30, 2011 were 126,819 million yen, a decrease of 5,564 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease in cash and deposits of 4,335 million yen and a decrease in notes and accounts receivable-trade of 2,365 million yen.

Liabilities were 97,220 million yen, a decrease of 1,643 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase in short-term loans payable of 4,686 million yen and a decrease in commercial papers of 6,000 million yen.

Net Assets were 29,598 million yen, a decrease of 3,921 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease in retained earnings of 1,311 million yen and a decrease in foreign currency translation adjustment of 1,892 million yen.

### 2) Status of Cash Flows

Balance of cash and cash equivalents at the end of the six months ended September 30, 2011 was 8,416 million yen, a decrease of 4,340 million yen as compared to the end of the previous consolidated fiscal year.

Net cash provided by operating activities was 2,101 million yen, a decrease of 494 million yen as compared to the same period in the previous fiscal year. This was mainly due to a decrease in income before income taxes and minority interests.

Net cash used in investing activities was 4,579 million yen, a decrease of 410 million yen as compared to the same period in the previous fiscal year. This was mainly due to a decrease in cash outflow by tangible fixed assets.

Net cash used in financing activities was 1,340 million yen, an increase of 3,198 million yen as compared to the same period in the previous fiscal year. This was mainly due to an increase in cash outflow by redemption of commercial papers and an increase in proceeds from long-term loans payable.

## (3) QUALITATIVE INFORMATION OF CONSOLIDATED FINANCIAL FORECAST

In the future, there is a risk that financial uncertainty in European countries may adversely affect the real economy. If the yen appreciation continues at the current level, it may further impair the business results of domestic corporations. With regard to the consolidated business results for the full year, we revise our forecast as follows in consideration of factors such as the outlook on the aforesaid stringent external circumstances and the consolidated business results for the second quarter (cumulative).

### [Forecast of Consolidated Business Results for the Full-year ending March 31, 2012]

	Forecast of the consolidated business results of the full-year ending March 31, 2012	Increase or decrease as compared to the same period in the previous year	Forecast of the consolidated results of the full-year announced in August 2011
Net Sales	141,000	-2.7%	150,000
Operating Income	5,000	-18.7%	7,500
Ordinary Income	3,200	-35.6%	6,000
Net Income	500	—%	2,500

(Millions of Yen)

The Company group will make an effort to increase sales of existing products for automobiles and expand its presence in wider areas of the in-vehicle products business by focusing on the development of new products for electric and hybrid automobiles. In response to the growing adoption of inverters mainly in emerging countries in the “eco-friendly and energy saving” markets dominated by power devices and power systems, our field of expertise, we will establish a system for increasing the output of products in the second half in order to expand the scale of product sales for the motor business. By securing profit through the aforesaid measures, we are determined to achieve the forecast of the full-year business results.

## 2. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

### (1) QUARTERLY CONSOLIDATED BALANCE SHEETS

Millions of yen

	March 31 2011	September 30 2011
<b>ASSETS</b>		
Current assets		
Cash and deposits	12,826	<b>8,490</b>
Notes and accounts receivable-trade	31,208	<b>28,843</b>
Merchandise and finished goods	11,352	<b>11,723</b>
Work in process	14,302	<b>16,210</b>
Raw materials and supplies	10,783	<b>10,522</b>
Deferred tax assets	196	<b>234</b>
Other	3,809	<b>3,193</b>
Allowance for doubtful accounts	(64)	<b>(66)</b>
Total current assets	<u>84,414</u>	<u><b>79,149</b></u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	16,145	<b>16,467</b>
Machinery, equipment and vehicles, net	15,928	<b>16,527</b>
Tools, furniture and fixtures, net	792	<b>859</b>
Land	4,290	<b>4,212</b>
Lease assets, net	550	<b>1,368</b>
Construction in progress	5,724	<b>4,244</b>
Total property, plant and equipment	<u>43,430</u>	<u><b>43,680</b></u>
Intangible assets		
Software	165	<b>198</b>
Other	648	<b>612</b>
Total intangible assets	<u>813</u>	<u><b>811</b></u>
Investments and other assets		
Investment securities	1,956	<b>1,457</b>
Deferred tax assets	162	<b>135</b>
Other	1,855	<b>1,834</b>
Allowance for doubtful accounts	(249)	<b>(249)</b>
Total investments and other assets	<u>3,724</u>	<u><b>3,178</b></u>
Total noncurrent assets	<u>47,969</u>	<u><b>47,669</b></u>
Total assets	<u><u>132,384</u></u>	<u><u><b>126,819</b></u></u>

	March 31 2011	September 30 2011
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Notes and accounts payable-trade	20,138	<b>19,255</b>
Short-term loans payable	20,382	<b>25,069</b>
Commercial papers	19,000	<b>13,000</b>
Income taxes payable	395	<b>124</b>
Deferred tax liabilities	0	<b>0</b>
Provision for directors' bonuses	30	<b>15</b>
Accrued expenses	7,450	<b>6,999</b>
Other	1,073	<b>1,167</b>
Total current liabilities	<u>68,469</u>	<u><b>65,631</b></u>
Noncurrent liabilities		
Bonds payable	20,000	<b>20,000</b>
Long-term loans payable	5,031	<b>5,017</b>
Deferred tax liabilities	572	<b>427</b>
Provision for retirement benefits	3,029	<b>3,456</b>
Provision for directors' retirement benefits	38	<b>42</b>
Asset retirement obligations	60	<b>60</b>
Other	1,662	<b>2,585</b>
Total noncurrent liabilities	<u>30,394</u>	<u><b>31,589</b></u>
Total liabilities	<u>98,863</u>	<u><b>97,220</b></u>
Net assets		
Shareholders' equity		
Capital stock	20,896	<b>20,896</b>
Capital surplus	18,667	<b>18,303</b>
Retained earnings	6,834	<b>5,522</b>
Treasury stock	(3,916)	<b>(3,919)</b>
Total shareholders' equity	<u>42,483</u>	<u><b>40,803</b></u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	212	<b>(140)</b>
Foreign currency translation adjustment	(9,439)	<b>(11,332)</b>
Total accumulated other comprehensive income	<u>(9,226)</u>	<u><b>(11,472)</b></u>
Minority interests	<u>263</u>	<u><b>268</b></u>
Total net assets	<u>33,520</u>	<u><b>29,598</b></u>
Total liabilities and net assets	<u><u>132,384</u></u>	<u><u><b>126,819</b></u></u>

**(2) QUARTERLY CONSOLIDATED STATEMENTS OF INCOME AND  
QUARTERLY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

Millions of yen

<b>QUARTERLY CONSOLIDATED STATEMENTS OF INCOME</b>	Six months ended Sep.30, 2010	Six months ended Sep.30, 2011
Net sales	71,773	<b>66,138</b>
Cost of sales	56,761	<b>52,855</b>
Gross profit	<u>15,011</u>	<u><b>13,282</b></u>
Selling, general and administrative expenses	<u>12,007</u>	<u><b>11,981</b></u>
Operating income	<u>3,003</u>	<u><b>1,300</b></u>
Non-operating income		
Interest income	7	5
Dividends income	17	20
Miscellaneous income	189	201
Total non-operating income	<u>213</u>	<u><b>227</b></u>
Non-operating expenses		
Interest expenses	335	337
Compensation expense	27	193
Foreign exchange losses	400	354
Miscellaneous loss	258	273
Total non-operating expenses	<u>1,022</u>	<u><b>1,158</b></u>
Ordinary income	<u>2,195</u>	<u><b>369</b></u>
Extraordinary income		
Gain on sales of noncurrent assets	17	1
Total extraordinary income	<u>17</u>	<u><b>1</b></u>
Extraordinary loss		
Loss on retirement of noncurrent assets	45	18
Loss on disaster	—	296
Loss on valuation of investment securities	37	—
Special retirement expenses	—	61
Loss on adjustment for changes of accounting standard for asset retirement obligations	84	—
Other	0	—
Total extraordinary losses	<u>167</u>	<u><b>376</b></u>
Income (loss) before income taxes and minority interests	<u>2,045</u>	<u><b>(6)</b></u>
Income taxes	<u>1,369</u>	<u><b>1,250</b></u>
Income (loss) before minority interests	<u>676</u>	<u><b>(1,256)</b></u>
Minority interests in income	<u>5</u>	<u><b>5</b></u>
Net income (loss)	<u><u>670</u></u>	<u><u><b>(1,261)</b></u></u>

Millions of yen

QUARTERLY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	Six months ended Sep.30, 2010	<b>Six months ended Sep.30, 2011</b>
Income (loss) before minority interests	676	<b>(1,256)</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	(282)	<b>(353)</b>
Foreign currency translation adjustment	(2,468)	<b>(1,892)</b>
Total other comprehensive income	<u>(2,751)</u>	<u><b>(2,246)</b></u>
Comprehensive income	<u><u>(2,074)</u></u>	<u><u><b>(3,503)</b></u></u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(2,072)	<b>(3,508)</b>
Comprehensive income attributable to minority interests	(1)	<b>5</b>



**(3) QUARTERLY CONSOLIDATED STATEMENTS OF CASH FLOWS**

Millions of yen

	Six months ended Sep.30, 2010	Six months ended Sep.30, 2011
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	2,045	(6)
Depreciation and amortization	4,073	<b>4,205</b>
Increase (decrease) in allowance for doubtful accounts	2	7
Increase (decrease) in provision for retirement benefits	283	<b>480</b>
Interest and dividends income	(24)	(25)
Interest expenses	335	<b>337</b>
Decrease (increase) in notes and accounts receivable-trade	1,169	<b>1,724</b>
Decrease (increase) in inventories	(2,793)	<b>(2,858)</b>
Increase (decrease) in notes and accounts payable-trade	(1,077)	<b>(409)</b>
Other, net	377	<b>533</b>
Subtotal	<u>4,392</u>	<u><b>3,990</b></u>
Interest and dividends income received	24	<b>24</b>
Interest expenses paid	(336)	<b>(354)</b>
Income taxes paid	(1,483)	<b>(1,559)</b>
Net cash provided by (used in) operating activities	<u>2,596</u>	<u><b>2,101</b></u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(4,962)	<b>(4,489)</b>
Proceeds from sales of property, plant and equipment	65	3
Purchase of intangible assets	(76)	<b>(108)</b>
Payments of loans receivable	(9)	(8)
Collection of loans receivable	18	7
Other, net	(24)	<b>14</b>
Net cash provided by (used in) investing activities	<u>(4,990)</u>	<u><b>(4,579)</b></u>
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term loans payable	1,538	<b>200</b>
Increase (decrease) in commercial papers	1,000	<b>(6,000)</b>
Repayments of finance lease obligations	(108)	<b>(160)</b>
Proceeds from long-term loans payable	—	<b>5,000</b>
Repayment of long-term loans payable	(563)	<b>(11)</b>
Proceeds from sales of treasury stock	0	0
Purchase of treasury stock	(6)	<b>(4)</b>
Cash dividends paid	(3)	<b>(364)</b>
Net cash provided by (used in) financing activities	<u>1,857</u>	<u><b>(1,340)</b></u>
Effect of exchange rate change on cash and cash equivalents	<u>(419)</u>	<u><b>(295)</b></u>
Net increase (decrease) in cash and cash equivalents	<u>(955)</u>	<u><b>(4,115)</b></u>
Cash and cash equivalents at beginning of period	12,114	<b>12,756</b>
Increase (decrease) in cash and cash equivalents from change of fiscal year of consolidated subsidiaries	—	<b>(225)</b>
Cash and cash equivalents at end of period	<u>11,159</u>	<u><b>8,416</b></u>

**(4) SEGMENT INFORMATION****[Information on Net Sales, Incomes or Losses by Individual Reportable Segments]****SIX MONTHS ENDED SEPTEMBER 30, 2010**

Millions of yen

	Reportable Segments				Total	Adjusted Amount	Amount stated in Quarterly Consolidated Statements of Income
	Semi-conductor Devices	CCFL	PM	PS			
Sales							
(1) Sales to Customers	49,986	3,685	11,104	6,997	71,773	—	71,773
(2) Intersegment Sales or Transfer	1,205	—	208	0	1,415	(1,415)	—
Total	51,191	3,685	11,312	6,998	73,188	(1,415)	71,773
Operating Income (loss) by Segment	4,412	(311)	(475)	431	4,056	(1,052)	3,003

**SIX MONTHS ENDED SEPTEMBER 30, 2011**

Millions of yen

	Reportable Segments				Total	Adjusted Amount	Amount stated in Quarterly Consolidated Statements of Income
	Semi-conductor Devices	CCFL	PM	PS			
Sales							
(1) Sales to Customers	48,253	1,033	9,786	7,064	66,138	—	66,138
(2) Intersegment Sales or Transfer	605	—	250	0	857	(857)	—
Total	48,859	1,033	10,037	7,065	66,995	(857)	66,138
Operating Income (loss) by segment	3,109	(575)	(673)	481	2,342	(1,041)	1,300